

## Message Text

LIMITED OFFICIAL USE

PAGE 01 KINGST 03764 051412Z

44

ACTION ARA-20

INFO OCT-01 ISO-00 L-03 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DRC-01 /141 W

----- 034616

R 051350Z NOV 73

FM AMEMBASSY KINGSTON  
TO SECSTATE WASHDC 3274

LIMITED OFFICIAL USE KINGSTON 3764

DEPT PASS TREASURY

E.O. 11652: N/A

TAGS: EFIN, JM

SUBJ: TAXATION: GOJ REQUEST FOR BILATERAL BAUXITE PRICING DISCUSSIONS

REF: KINGSTON 2744

1. GOJ MINFIN STAFF TELEPHONED CHARGE'S OFFICE NOV 2 ASKING FOR REPLY TO LETTER OF AUG 20. (REFTEL) IN RESPONSE TO SUBSEQUENT ECONOFF TELEPHONE CALL MINFINSTAFF MILLER INDICATED GOJ SENDING LETTER RE BAUXITE PRICING TO EMBASSY. TEXT AS FOLLOWS:

2. BEGIN TEXT. DEAR MR. HEWITT, I REFER TO THE LETTER DATED 20TH AUGUST, 1973, CONVEYING ACCEPTANCE BY MY GOVERNMENT OF THE PROPOSALS PUT FORARD BY MR. COHEN IN RELATION TO THE PRICING OF ALUMINA.

I HAVE NOW BEEN INFORMED THAT THE UNITED STATES INTERNAL REVENUE SERVICE PROPOSES TO REVIEW, FOR UNITED STATES INCOME TAX PURPOSES, THE PRICES RECORDED IN THE ACCOUNTS OF THE UNITED STATES BAUXITE COMPANIES AS THE PRICES AT WHICH JAMAICAN BAUXITE IS TRANSFERRED TO THEIR UNITED STATES AFFILIATES.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KINGST 03764 051412Z

THE INCOME TAX PAID TO THE GOVERNMENT OF JAMAICA IS BASED ON

THE PRICES WHICH ARE TO BE THE SUBJECT OF REVIEW BY THE UNITED STATES INTERNAL REVENUE SERVICE. THE TERMS OF THE AGREEMENT BETWEEN THE GOVERNMENT OF JAMAICA AND THE BAUXITE COMPANIES ARE SUCH THAT ADJUSTMENT BY THE USIRS IN THE TRANSFER PRICES ALREADY USED AS A BASIS FOR COMPUTING PROFITS FOR JAMAICAN TAX PURPOSES, MAY AFFECT CURRENT REVENUE AS WELL AS THE STABILITY OF FUTURE REVENUE INFLOWS.

THE GOVERNMENT OF JAMAICA, THEREFORE, WISHES TO PROCEED WITH A REVIEW OF THE TRANSFER PRICES OF BAUXITE UNDER THE "COMPETENT AUTHORITY" PROCEDURE PERMITTED UNDER THE DOUBLE TAXATION RELIEF TREATY BETWEEN JAMAICA AND THE UNITED STATES, WHERE- BY TAX OFFICIALS OF OUR RESPECTIVE GOVERNMENTS MAY MEET AND PURSUE THE MATTER IN AN EFFORT TO REACH AND ACCEPTABLE SOLUTION.

I SHALL BE GRATEFUL IF YOU WILL REQUEST THE APPROPRIATE TREASURY OFFICIAL TO INFORM AMBASSADOR FLETCHER IN WASHINGTON, WHETHER IT WOULD BE POSSIBLE TO COMMENCE DISCUSSIONS ON THE PRICING OF BAUXITE IN WASHINGTON IN EARLY FEBRUARY, 1974.  
YOURS SINCERELY, SIGNED BY THE FINANCIAL SECRETARY. END TEXT.  
LETTER POUCHED NOV 5 ARA/CAR/J.

3. GOJ CONCERN EVIDENTLY TRIGGERED BY INFO IRS REVIEW REYNOLDS ALUMINUM COMPANY BEGINNING NOV 6.  
HEWITT

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DOUBLE TAXATION, INCOME TAXES, TAX AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** hilburpw  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973KINGST03764  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** KINGSTON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731155/aaaabofx.tel  
**Line Count:** 84  
**Locator:** TEXT ON-LINE  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** KINGSTON 2744  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** hilburpw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24-Jan-2002 by boyleja>; APPROVED <31-Jan-2002 by hilburpw>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TAXATION: GOJ REQUEST FOR BILATERAL BAUXITE PRICING DISCU- SSIONS  
**TAGS:** EFIN, JM  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005